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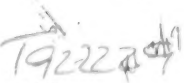

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 or 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended February 1, 1992 Commission File Nbr. 0-934

B.B.WALKER COMPANY
Exact name of registrant as specified in its charter

North Carolina	56-0581797
State or other jurisdiction incorporation or organization	(I.R.S. Employer Identification No.)

East Dixie Drive, P.O. Drawer 1167, Asheboro, N. C.	27203
(Address if principal executive offices	Zip Code)

Registrant's telephone number, including area code (919) 625-1380

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

On February 1, 1992, there were 1,033,229 shares of the Registrant's common stock outstanding.

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B.B. WALKER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(UNAUDITED)

(In Thousands) Assets	FEB 2, 1992	NOV 2, 1991
Current assets:		
Cash	$ 1	$ -
Accounts receivable, less allowance for doubtful accounts of $447 (1992) and $332 (1991)	8,601	11,523
Inventories	13,731	13,623
Prepaid expenses	136	90
Deferred taxes	130	102
Total current assets	22,577	25,339
Property, plant and equipment, less accumulated depreciation and amortization of $3,871 (1992) and $3,815 (1991)	1,739	1,728
Other assets	190	199
	$24,506	$27,265

Liabilities and Shareholders' Equity	FEB 2, 1992	NOV 2, 1991
Current liabilities:		
Borrowings under finance agreements	$ 8,486	$10,782
Portion of long-term obligations payable within one year	733	735
Accounts payable-trade	4,984	5,532
Accrued salaries, wages and bonuses	531	558
Other accounts payable and accrued liabilities	465	318
Income taxes payable	119	182
Total current liabilities	15,318	18,107
Long-term obligations, portion payable after one year	3,096	3,110
Minority interests in consolidated subsidiaries	41	42
Shareholders' equity:		
7% cumulative preferred stock $100 par value, 1,150 shares authorized, 1,061 shares issued and outstanding	104	104
Common stock, $1 par value-2,500,000 shares authorized, 1,033,229 issued and outstanding in 1992 and 1991	1,033	1,033
Capital in excess of par value	3,254	3,254
Retained earnings	1,660	1,615
Total shareholders' equity	6,051	6,006
	$24,506	$27,265

B.B. WALKER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS
(UNAUDITED)

(In Thousands except Per Share Data)	Three Months Ended FEB 1, 1992	FEB 2, 1991
REVENUES:		
Net Sales	$9,194	$8,739
Interest and other income	30	28
Total Revenues	9,224	8,767
Cost and Expenses:		
Cost of products sold	6,707	6,655
Selling and administrative expenses	2,066	1,804
Depreciation and amortization	84	53
Interest expense	317	361
Total Cost and Expenses	9,174	8,873
Income (loss) before income taxes, minority interests, and extraordinary item	50	(106)
Provision for income taxes	18	---
Minority interests	1	1
Income (loss) before extraordinary item	31	(107)
Extraordinary item-realization of tax operating loss carryforwards	18	---
Net income (loss)	49	(107)
Retained earnings at beginning of year	1,613	1,185
Less: dividends paid	2	2
Retained earnings at end of period	$1,660	$1,076
Per share of common stock:		
Income (loss) before extraordinary item	$0.03	($0.10)
Extraordinary item	0.02	---
Net income (loss) Per Share	$0.05	($0.10)
Weighted average shares	1,059	1,065

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(In Thousands)	Three Months Ended FEB 1, 1992	FEB 2, 1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income (loss) before extraordinary item	$31	($107)
Adjustments to reconcile income (loss) to cash:		
Depreciation/Amortization	84	53
Extraordinary item-realization of tax operating loss carryforwards	18	---
(Increase) decrease in:		
Accounts receivable	2,922	2,214
Inventories	(108)	(505)
Prepaid expenses	(34)	14
Deferred taxes	(18)	
Other assets	9	9
Increase (decrease) in:		
Accounts payable-trade	(557)	(1,397)
Accrued salaries, wages and bonuses	(27)	(4)
Other accounts payable and accrued liabilities	66	(15)
Taxes payable	18	---
Total adjustments to reconcile income (loss) to cash	2,373	369
Net cash provided (used) by operating activities	2,404	262
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(98)	(12)
Disposal of property, plant and equipment	4	4
Net cash provided (used) by investing activities	(94)	(8)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings under financing agreement	(2,296)	(471)
Payment on debt	(11)	224
Dividends paid on 7% cumulative preferred stock	(2)	(2)
Net cash provided (used) by financing activities	(2,309)	(249)
NET INCREASE (DECREASE) IN CASH	1	5
CASH AT THE BEGINNING OF THE PERIOD		2
CASH AT THE END OF THE PERIOD	$1	$7

B.B. WALKER COMPANY
Notes to Consolidated Financial Statements
Feb 1, 1992

Note A-Long-term Obligations

	(In Thousands) Feb 1, 1992	Nov 2, 1991
Mortgage note	$2,248	$2,254
Promissory notes payable to shareholders in varying amounts through 1994	1,139	1,133
Capitalized lease obligations	294	282
Notes payable due in varying amounts through December, 1995	6	8
Note payable to a bank due in monthly installments of $10,000 through April, 1993	142	168
	3,829	3,845
Less portion payable within one year	733	735
	$3,096	$3,110

Note B-Earnings Per Share

Earnings (loss) per common share are computed by dividing net income (loss) after deducting preferred dividends requirements which accrued during the period by the weighted average number of common shares outstanding during each period. The weighted average number of common shares used in the computation were 1,059,000 shares for 1992 and 1,065,000 shares for 1991.

Note C

	(In Thousands) Feb 1, 1992	Nov 2, 1991
Finished goods	$7,558	$7,288
Work in process	764	701
Raw materials and supplies	5,409	5,634
	$13,731	$13,623

Note D

In February, 1980, a new Class A preferred stock having no par value was authorized. There are 200,000 shares authorized and as of Feb 1, 1992 none have been issued.

Note E

In the opinion of management, all adjustments necessary for a fair statement of results for the period have been indicated in the accompanying financial statements.

Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations

Revenues

Net sales for the first three months of 1992 were 5.2% higher than the first three months of 1991 reflecting an 11% decrease in pairs of footwear sold at approximately 20% higher average selling price per pair as a result of price increases and product mix.

Gross Margin

The Company's gross margin increased 3.2% during the first three months of 1992 as compared to the first three months of 1991. The increased margin is attributed to increased shipments of western footwear which typically have a more favorable margin.

Selling and Administrative Expenses

Selling and administrative expenses, as a percentage of net sales, increased 1.8% during the first three months of 1992 as compared to the first three months of 1991. In absolute dollars, actual expenses increased $262,000 or 14.5% due to increases in advertising, bad debt provision and commissions.

Interest Expense

Substantially all of the Company's debt is tied to the prime rate. Interest expense was reduced $44,000 as a result of controlled spending and reductions in the prime rate.

Provision for Income Taxes

The combined federal and state tax provision was $18,000 for the first three months of 1992. However, the provision for the first three months of 1992 was offset by prior years operating loss carryforwards.

Liquidity and Capital Resources

The Company's interest bearing debt decreased from $14,627,000 at Nov 2, 1991 to $12,315,000 at Feb 1, 1992. The decrease in interest bearing debt during the first quarter of 1992 reflects the seasonal decrease in receivables. The receivables and inventories are used to provide working capital in accordance with a financing agreement with a lender.

Fluctuations in Balance Sheet Accounts

Trade Receivables

The decrease in trade receivables during the first three months of 1992 is the normal seasonal pattern from a high balance at Nov 2, 1991, following the selling season to a lower balance following typically lower sales during the first three months of 1991. Trade receivables will increase in the fourth quarter which historically is the Company's peak selling season.

Inventories

Finished goods inventories increased $270,000 for the first three months of 1992 compared to Nov 2, 1991 reflecting the demand for footwear. The changes in work in process and raw materials have been reduced in order to improve the utilization of assets.

Accounts Payable-Trade

Accounts Payable- Trade decreased $548,000 for the first three months of 1992 compared to Nov 2, 1991, which reflects payment of raw materials and finished goods purchased in earlier periods.

Borrowings Under Finance Agreement

The change in borrowings under finance agreement is summarized as follows.

	(In Thousands)
Balance at 11/2/91	$10,782
Decrease in current receivable borrowings	(2,059)
Decrease in current inventory borrowings	(237)
Balance at 2/1/92	$8,486

Part II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a)(23) Exhibit (23) - Proxy Statement of the Annual Meeting of Shareholders dated February 24, 1992 for the Annual Meeting of Shareholders to be held on March 16, 1992.

(b) Reports on Form 8-K

There were no reports on Form No. 8-K filed for the three months ended February 1, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

B. B. WALKER COMPANY

William C. Massie, Vice President,
Finance & Administration

James C. Burrie, Jr.
Chief Accountant

Date: March 4, 1992

Exhibit 23

B. B. WALKER COMPANY

East Dixie Drive – P.O. Drawer 1167 – Asheboro, North Carolina 27204

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 16, 1992

TO THE HOLDERS OF COMMON STOCK OF
B. B. WALKER COMPANY

You are cordially invited to attend the Annual Meeting of the Shareholders of B. B. Walker Company scheduled to be held on Monday, March 16, 1992 at 7:00 p.m. EST in the executive offices of the Company on East Dixie Drive, Asheboro, North Carolina. The purposes of the meeting are:

(1) To elect 5 Directors of the Company.

(2) To consider ratifying the appointment by the Board of Directors of Price Waterhouse as the independent public accountants of the Company.

(3) To transact such other business as may properly be brought before the meeting or any adjournment thereof.

Only holders of common stock of record at the close of business on February 24, 1992 will be entitled to vote at the meeting. The stock transfer books of the Company will not be closed.

IMPORTANT – YOUR PROXY CARD IS ENCLOSED

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, YOU ARE URGED TO SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY. YOUR PROXY CARD WILL BE RETURNED TO YOU IF YOU ARE PRESENT AT THE MEETING AND SO REQUEST. PLEASE USE THE ENCLOSED POSTAGE PAID RETURN ENVELOPE FOR MAILING YOUR PROXY CARD.

You have been mailed a copy of the Company's Annual Report, including financial statements for the fiscal year ended November 2, 1991.

By Order of the Board of Directors

James P. McDermott

JAMES P. McDERMOTT, Secretary

Date of Mailing:
February 24, 1992

B. B. WALKER COMPANY

East Dixie Drive – P.O. Drawer 1167 – Asheboro, North Carolina 27204

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS
March 16, 1992 and Adjournments

SOLICITATION OF PROXY

The enclosed Proxy, mailed on February 24, 1992, is solicited by the Board of Directors of B. B. WALKER COMPANY, (the Company) for use at its Annual Meeting of Shareholders to be held in the executive offices of the Company on East Dixie Drive, Asheboro, North Carolina, at 7:00 p.m. EST on Monday, March 16, 1992 or any adjournment thereof.

The Company will bear the cost of solicitation of proxies, including the charges and expenses of brokerage firms and others for forwarding solicitation material to beneficial owners of stock. In addition to the use of the mails, proxies may be solicited by personal interview or by telephone and telegraph. Proxies and correspondence should be addressed to James P. McDermott, Corporate Secretary.

REVOCATION OF PROXY

Execution and return of a Proxy given in response to this solicitation will not affect a Shareholder's right to attend the meeting and vote in person. Any Shareholder signing and returning a Proxy in the form enclosed with this statement may revoke it at any time before it is exercised by giving notice thereof to the Company in writing or in open meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Board of Directors has fixed the close of business on February 24, 1992 as the record date for Shareholders entitled to notice of and to vote at the meeting and any adjournment. On February 24, 1992, the Company had issued 1,033,229 shares of common stock all of which were outstanding and entitled to vote. Each share of common stock is entitled to one vote. As of January 13, 1992, all Directors and Officers of the Company as a group (7 persons) owned or controlled 682,361 shares or 66.04% of the outstanding shares of the Company's common stock. Included in the solicitation of proxies is the solicitation of discretionary authority to transact such other business as may properly be brought before the meeting or any adjournments. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of B. B. Walker Company common stock entitled to vote, is necessary to constitute a quorum.

As of January 13, 1992, the Company was aware of the following four direct and beneficial owners of more than 5% of the outstanding shares of the Company's common stock:

(1) James P. McDermott, Vice President & General Counsel and Secretary of the Company, as well as a Director, is Trustee of the Employee Stock Ownership Plan of B.B. Walker Company (The ESOP) and, as Trustee, holds of record or beneficially, 390,451 shares or 37.8% of the outstanding common stock of B.B. Walker Company. He is authorized as Trustee to vote all shares held by the ESOP in the best interests of the participants. James P. McDermott holds currently exercisable options for 15,000 shares of B.B. Walker Company common stock granted to him under the 1987 Incentive Stock Option Plan. Mr. McDermott owns directly 211 shares or 20.3% of the 1,041 shares of the $100 Par Value 7% Cumulative Preferred Stock of the Company issued and outstanding.

(2) C. L. Richardson, Executive Vice President and Director of the Company together with members of his family holds of record or beneficially 97,312 shares or 9.42% of the outstanding common stock of the Company. C. L. Richardson holds currently exercisable options for 10,000 shares of B. B. Walker Company common stock granted to him under the 1987 Incentive Stock Option Plan.

(3) Edna A. Walker of 414 East Dixie Drive, Asheboro, North Carolina, who is President of the B.B. Walker Foundation and a Director of the Company, together with members of her family, holds of record or beneficially a total of 70,703 shares or 6.84% of the outstanding common stock of the Company.

(4) Kent T. Anderson, President, Chief Executive Officer and a Director of the Company holds of record and beneficially a total of 82,299 shares or 7.97% of the outstanding shares of common stock of the Company. Kent T. Anderson holds currently exercisable options for 40,000 shares of B. B. Walker Company common stock granted to him under the 1979 Stock Option Plan and the 1987 Incentive Stock Option Plan.

1. ELECTION OF DIRECTORS

Five Directors are to be elected at the forthcoming Annual Meeting. The Board of Directors sitting as a Nominating Committee has nominated five persons to be director nominees for consideration by the shareholders. It is intended that the two persons named in the accompanying Proxy will vote for the five director nominees named on the following pages unless authority to vote is directed otherwise. Directors shall be elected by a plurality of the votes cast.

A Director is elected to serve until the next Annual Meeting of the Shareholders or until a successor shall be elected and shall qualify. Each nominee for Director has agreed to serve and, so far as the Board is aware, will serve if elected. If any nominee is unable to serve, the proxies will be voted by those named therein for the election of a substitute nominee selected by the Board of Directors.

Of the five nominees for director, three are presently employees of the Company. Two retired employees are serving on the Board of Directors at this time. The Company does not provide Directors and Officers Liability insurance coverages. There are no family relationships between any of the nominees and the executive officers of the Company or its subsidiaries. At present the Board of Directors has not established an Audit Committee, a Nominating Committee or a Compensation Committee. When a number of non-employee directors become members of the Board, serious consideration will be given to re-establishing one or more of such committees.

The Board of Directors meets on a monthly basis except for the month of December. The Annual Meeting of the Board of Directors is held immediately following the Annual Meeting of the Shareholders. Special meetings of the Board may be called at any time when necessary as provided in the By-Laws. During fiscal 1991, the Board of Directors met 10 times. Of the five directors, three attended all meetings, and two missed one meeting each for business reasons. All of the director nominees held positions as Director during the 1991 fiscal year.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

Name, Age & Year First Elected a Director	Principal Occupation For Last Five Years	Equity Securities of Company beneficially owned on January 13, 1992 (1)	
		Common Shares	Preferred Shares
Kent T. Anderson (49) (1985)	President (1984), & Chief Executive Officer (1986).	82,299 (7.97%)	-
Robert L. Donnell, Jr. (60) (1968)	Retired due to Disability Reasons. Formerly Executive Vice President Operations of the Company 1968-1991	1,431 (.1%)	-
James P. McDermott (71) (1986)	Vice President & General Counsel (1973), Secretary (1984). Responsible for legal and corporate administrative matters. (2)	15,009 (1.45%)	211 (20.3%)
C. L. Richardson (65) (1959)	Executive Vice President. (1968). Primarily responsible for importing activities.	97,312 (9.42%)	2 (.2%)
Edna A. Walker (67) (1952)	President of B. B. Walker Foundation	70,703 (6.84%)	35 (3.4%)

(1) The By-Laws and the Charter do not require Directors to be Shareholders. The number of shares of common stock shown includes shares held in the names of wives, minor children or certain relatives, as to which beneficial ownership is disclaimed. Shares held in the Employee Stock Ownership Plan of B.B. Walker Company are excluded from the within totals as the employee participant exercises no voting control over shares allocated to his/her account so long as he/she is a participant. The totals shown do include shares subject to currently exercisable options granted by the Company. The number of shares included with respect to each director nominee holding such options is as follows: Kent T. Anderson, 40,000; James P. McDermott 15,000 and C. L. Richardson, 10,000.

(2) The above set forth total of common stock beneficially owned by James P. McDermott does not include the 390,451 shares of common stock constituting 37.8% of the total shares outstanding, held by him as Trustee of the Employee Stock Ownership Plan and Trust of B.B. Walker Company for the benefit of all Plan participants. Reference is made to subparagraph (1) under the heading "VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF" on page 1 of this Proxy Statement.

COMPENSATION OF EXECUTIVE OFFICERS – 1991

The following table sets forth all cash compensation, as defined in regulations of the Securities and Exchange Commission paid or accrued by the Corporation and its subsidiaries for the fiscal year ended November 2, 1991 to each of the five highest paid executive officers whose aggregate cash compensation exceeded $60,000 and to all executive officers as a group.

Compensation Table

Name & Capacities in which compensation was received	Cash Compensation (1) (2)	Deferred Compensation (4)	Employee Benefit Plans The ESOP (3) (5) 1991 Addition
Kent T. Anderson President & Chief Executive Officer	$137,337	–	$1,636
C. L. Richardson Executive Vice President	$ 63,702	$12,000	$ 926
James P. McDermott Vice President, General Counsel & Secretary	$ 63,482	–	$ 756
William C. Massie Vice President–Finance and Administration	$ 80,561	–	$ 960
All executive officers as a group (5 persons including the above named)	$437,575	$12,000	$5,356

(1) The Company provides a special life insurance program of various amounts for Officers, Directors, truck drivers, salesmen and other key employees of the Company and its subsidiaries, with the Company and employees sharing the premium cost. A total of 77 employees are insured of which 7 are Officers and Directors of the Company and its subsidiaries and 70 are truck drivers, salesmen, supervisors and other key employees. In fiscal 1991 the Company's and its subsidiaries' share of the premium cost amounted to $19,933. The amount applicable to Officers and Directors is not included in the compensation shown in the above table. The Company share during fiscal 1991 of the total cost of the special life insurance coverage for all 7 executive officers and directors as a group was $3,216 or 16.1% of the total Company cost. The portion of such cost applying to the director nominees amounted to $2,647 or 13.3% of the total Company cost for the class of employees covered.

(2) Selected management personnel, including four of those named above, during the 1991 fiscal year received certain direct personal benefits such as the use of an automobile for personal and business use. The aggregate value of such personal benefit is immaterial as a percentage of compensation.

(3) The Company, since November 1959, has been the grantor/sponsor of a Profit Sharing Retirement Plan and an Employee Stock Ownership Plan (the "ESOP") for its employees and employees of its subsidiaries. Three of the present Directors who are Director Nominees are employees of the Company or of its subsidiaries and are participants. The Plans are Defined Contribution Plans under the Employee Retirement Income Security Act of 1974 (ERISA) and the Company contributes each year to the ESOP an amount determined by the Board of Directors.

In June 1983, the Board of Directors approved the merger of the existing Profit Sharing Retirement Plan into the existing Employee Stock Ownership Plan, making the Profit Sharing Plan inactive with no further contributions to be made and no new participants to be added to the Plan. The merger also provided that all account balances of participants in the Profit Sharing Plan would remain frozen or intact until the withdrawal of the participant from the Plan. At withdrawal, existing participants would receive their Profit Sharing Plan balances in cash. The merger provides that all income, forfeitures and gain on the sale of Profit Sharing Plan assets will be transferred annually to the ESOP and then will be used to purchase shares of B. B. Walker Company common stock for the accounts of Profit Sharing Plan participants only. The merger was approved by the Internal Revenue Service on January 27, 1984. Employees becoming eligible participants after May 31, 1983 join the Employee Stock Ownership Plan only as the Profit Sharing Plan is inactive and no participants have been added to the Profit Sharing Plan since the merger.

The contribution to the ESOP is allocated to individual participants by a formula under which all participants receive the same percentage of their fiscal year compensation contributed to their accounts. The ESOP is designed so that all participants are treated equally and is geared to long term service with the Company or a subsidiary. The amounts shown above in the Employee Benefits section of the compensation table under the heading "the ESOP", for each Director Nominee or Officer, are the amounts allocated to their accounts from the $ 70,000 Company contribution to the ESOP for fiscal 1991. For the Director Nominees involved, such totaled $3,318 or 4.7% of the total contribution. The amounts shown may or may not be fully vested or owned by the Director Nominee depending on the length of service with the Company or its subsidiary. The employees do not contribute to either Plan and participation in such is mandatory.

It is impractical to estimate the annual amount of retirement benefits available to any Officer or Director participating in the Plans. Distribution options at retirement are lump sum cash payments from the Profit Sharing Plan for those who were participants and lump sum cash or shares of B. B. Walker Company common stock from the ESOP at the option of the Trustee. The Plans are fully funded at all times.

There is no obligation or requirement on the part of the Company or its subsidiary to continue the ESOP. What a retiree will receive at normal retirement at age 65 or at subsequent retirement will depend on the amounts of annual contributions by the Board of Directors, forfeitures, income from investments, etc. during the years until actual retirement.

(4) The Company adopted the 1983 Non-qualified Deferred Compensation Plan (the "Plan") on June 7, 1983, a voluntary plan, which permits certain key executives of the Company to defer a portion of their compensation in return for retirement or survivor benefits relating to the amount of salary deferred, age at the time of participation and the period over which deferrals are made. The deferred compensation, when due upon retirement or death of an executive, will be payable by the Company. The rate of interest which is credited on deferred compensation during any calendar year will be at a rate equal to that paid North Carolina holders of the Company's promissory notes having the highest yield. Depending upon the arrangement with the participant, deferred amounts under the Plan will be paid to the plan participant in 60 or 120 substantially equal monthly installments beginning on the first day of the month following retirement or death of the plan participant. Currently, M. R. Williams, who has retired and James P. McDermott and C. L. Richardson who are still employed are the only participants in the Plan. Amounts deferred under the Plan during fiscal 1991 are set forth in the Deferred Compensation column in the COMPENSATION OF DIRECTOR NOMINEES AND EXECUTIVE OFFICERS section of this Proxy Statement.

(5) Effective January 1, 1989, the Company instituted the Retirement Savings Plan of B. B. Walker Company, a thrift plan generally called a Section 401(k) Plan. The Plan is a qualified Plan being a defined contribution plan under the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is available to all employees. Participants contribute from 3% to 6% of monthly pay which is deducted on a pre-tax basis from their paychecks. Participants may choose to invest their pre-tax payroll contributions in a fixed income fund; in a diversified stock fund; or in a mixed asset fund, or in any combination of the three. The Company has not made a contribution to the Plan to date, but reserves the right to make a contribution depending upon profitability of the Company and its cash flow needs. Two of the Director Nominees, Kent T. Anderson and James P. McDermott who are also employees of the Company, and one executive officer of the Company, W. C. Massie, were participants in the Section 401(k) Plan during fiscal 1991. Their total compensation, prior to reduction for the amount deferred under the Section 401(k) Plan, is shown in column 1 of the Compensation Table above.

DIRECTORS' FEES

The Company presently has only two non-employee directors. It does not have Directors and Officers liability insurance coverage at this time. In the event a non-employee or outside director is elected, it is Company policy that non-employee Directors receive an annual retainer fee of $1,200 which is paid quarterly. In addition an attendance fee of $200 per meeting is paid for Board meetings and for Board Committee meetings, unless the Board Committee meeting is held on the same day the Board meeting is held. Directors who are full time employees of the Company or of one of its subsidiaries or who are retirees of the Company drawing retirement benefits, do not receive any additional compensation by reason of their membership on or attendance at meetings of the Board or Board Committees.

OPTIONS

The Company now has one active stock option Plan, the 1987 Incentive Stock Option Plan and has one outstanding unexpired grant under the expired 1979 Non-Qualified Stock Option Plan.

The 1979 Non-Qualified Stock Option Plan

This 1979 Plan dated January 9, 1979 and originally for 100,000 shares of common stock, was increased to 105,000 shares upon the declaration of a 5% common stock dividend in December 1980. All grants except one have expired under the Plan and no grants issued have been exercised. On September 4, 1984, the Board of Directors granted a stock option for 10,000 shares of B. B. Walker Company stock to Kent T. Anderson with a stock option fair market price established by the Board at $2.00 per share which grant remains outstanding under the 1979 Plan. The 10,000 share grant to Kent T. Anderson will expire if not exercised on or before September 4, 1994. Under the 1979 Plan, any gain or profit at time of exercise of the option was taxable income to the Optionee. The 1979 Plan expired on January 8, 1989 and no further grants may be made thereunder.

The 1987 Incentive Stock Option Plan

Under the 1987 Plan, 200,000 shares of common stock were made available to the Board of Directors for the granting of stock options to full time employees of the Company and its subsidiaries. The amount of an option to be granted to any employee is in the discretion of the Board of Directors. The purchase price of the shares covered by an option grant may not be less than 100% of the fair market value of the stock on the date of the grant of the option. The termination date of the 1987 Plan is February 10, 1997 and options, exercisable within ten years from date of grant may be granted under it until that date. Grants outstanding under

the Plan and held by Key Employees total 106,000 shares at Option prices of $2.00 and $2.25 per share. One grant for 5,000 shares held by a key employee was exercised in 1988, thereby reducing the Plan total to 195,000 shares. Presently there are 89,000 shares available to the Board of Directors for the granting of options.

Thirteen Key Employees, including Director Nominees and Executive Officers, hold 106,000 shares in currently exercisable option grants outstanding under the 1987 Plan. Three Director Nominees hold grants for 55,000 shares as follows: Kent T. Anderson, 30,000 shares; James P. McDermott, 15,000 shares; and C. L. Richardson, 10,000 shares. One executive officer, W. C. Massie, holds grants totaling 10,000 shares, making a combined total of 65,000 shares held by Director Nominees and Executive Officers under the Plan. The remaining 41,000 shares under currently exercisable options are held by 9 key employees of the Company. One key employee was granted a stock option under the 1987 Plan during fiscal 1991. Under the 1987 Incentive Stock Option Plan, any taxable gain or profit at the time of exercise of the grant is deferred until the stock acquired under the stock option is sold.

B. B. Walker Company common stock as quoted in the Over the Counter Securities Market under the NASDAQ Quotation System on January 13, 1992 was Bid $2 1/2 - Ask $3 1/4 per share.

2. APPOINTMENT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors of the Company has selected the firm of Price Waterhouse, Winston-Salem, North Carolina, to continue as independent public accountants of B. B. Walker Company and its subsidiaries for the fiscal year ending October 31, 1992, subject to ratification by the Shareholders. Unless otherwise specified by the Shareholders, votes will be cast pursuant to the proxies hereby solicited in favor of the approval of the selection by the Board of Price Waterhouse as independent public accountants to audit the books and accounts of the Company for the 1992 fiscal year and until their successors are selected. Price Waterhouse has acted in such capacity since April, 1973.

In recommending the approval by the Shareholders of the appointment of Price Waterhouse as independent public accountants, the Board of Directors is acting upon the recommendation of management. The Board of Directors and Management are satisfied as to the professional competence and standing of Price Waterhouse. The Board of Directors sitting as an Audit Committee plans to meet with representatives of Price Waterhouse prior to the audit and review the audit scope and estimated fees for the coming year, as well as meet with representatives of Price Waterhouse subsequently to review the results of the audit.

Price Waterhouse plans to have one or more representatives present at the Annual Meeting who will have the opportunity to make a statement if desired and to respond to appropriate questions which any Shareholders might have. Management knows of no direct or indirect material financial interests or relationships that any members of such firm have with B. B. Walker Company. The vote of a majority of shares present is necessary to ratify the Board of Directors' selection of Price Waterhouse.

3. SHAREHOLDER PROPOSALS

Proposals from Shareholders for inclusion in the Proxy Statement of B. B. Walker Company relating to the next Annual Meeting of the Shareholders, must be received at the principal office of B. B. Walker Company for consideration by November 9, 1992.

4. OTHER MATTERS

The management of the Company knows of no other matters which may come before this meeting. However, if any matters other than those referred to above should come before the meeting, it is the intention of the persons named in the enclosed Proxy to vote such proxy in accordance with their best judgement.

BY ORDER OF THE BOARD OF DIRECTORS, THIS 24TH DAY OF FEBRUARY, 1992.

James P. McDermott, Secretary

B.B. Walker Company

Proxy Statement for Annual Meeting of Shareholders

Annual Meeting of Shareholders
March 16, 1992